

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF IOWA

IN RE:)
) Case No. 23-00623
MERCY HOSPITAL, IOWA CITY and certain of its)
subsidiaries d/b/a Mercy Iowa City)
)
Debtor.)
)

NOTICE OF MONTHLY FEE FOR H2C SECURITIES, INC.
FOR THE PERIOD OF JANUARY 1, 2024 THROUGH JANUARY 31, 2024

H2C Securities, Inc., Financial Advisor and Investment Banker to Mercy Hospital, Iowa City and certain of its subsidiaries d/b/a Mercy Iowa City ("**Debtor**"), files its *Notice of Monthly Fee for H2C Securities, Inc. for the Period of January 1, 2024 through January 31, 2024* ("**Notice**"). This Notice is filed pursuant to Bankruptcy Code Sections 327(a) and 328(a) and Bankruptcy Rule 2014(a) and the *Application to Employ H2C Securities, Inc. as Investment Banker by the Debtors Filed by Mercy Hospital, Iowa City, Iowa* (the "**Agreed Entry**") [DN 150] approved by this Court on September 18, 2023 [DN 247]. This Notice will be served on the parties designated to receive this Notice pursuant to the Order. A copy of the Monthly Statement (as defined in the Order and redacted as necessary) is being filed with this Notice and is available through the Court's electronic filing system.

As set forth in the Order, at the expiration of the fourteen (14) day objection period, the Debtors shall promptly pay 80% of the fees and 100% of the out-of-pocket expenses identified below, except such specific fees and expenses as to which a Notice of Objection is filed, and subject to the limitations set forth in the applicable cash collateral order(s).

Name of Applicant:	H2C Securities, Inc.
Court-Approved Role:	Financial Advisor and Investment Banker to the Debtor
Date of Retention Order:	September 18, 2023 <i>nunc pro tunc</i> August 7, 2023
Period Covered:	January 1, 2024 to January 31, 2024
Monthly Fee Incurred:	\$25,000.00
80% of Fees to be Paid:	\$20,000.00
20% of Fees to be Held Back:	\$5,000.00
Total Expenses to be Paid (100%):	(\$0.00)
Total Proposed Payment from Debtor:	\$20,000.00

H2C Securities Inc. | h2c.com

+ The Elements of Capital and Strategy

Securities and services offered through H2C Securities Inc., member FINRA/SIPC, a registered broker-dealer and an indirect subsidiary of Fifth Third Bank, National Association. All rights reserved. Securities and services offered through H2C Securities Inc.: **Are Not FDIC Insured** | **Offer No Bank Guarantee** | **May Lose Value** | **Are Not Insured by any Federal Government Agency** | **Are Not a Deposit**.

Respectfully submitted this 15th day of February, 2024,



C. Richard Bayman
H2C SECURITIES, INC
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Atlanta, GA 30326
Telephone: 404-937-1340
Email: rbayman@h2c.com
Financial Advisor and Investment Banker to the Debtor

Dated: Cedar Rapids, Iowa
February 16, 2024

NYEMASTER GOODE, P.C.

/s/ Roy Leaf

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Cedar Rapids, IA 52401-2030
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Counsel for Debtors and Debtors-in-Possession

CERTIFICATE OF SERVICE

The undersigned certifies, under penalty of perjury, that on this February 16, 2024, the foregoing document was electronically filed with the Clerk of Court using the Northern District of Iowa CM/ECF and the document was served electronically through the CM/ECF system to the parties of the Chapter 11 Cases.

/s/ Roy Leaf

Exhibit A – Summary of Work

The H2C Securities, Inc. ("**H2C**") team working with the Debtor consists of Richard Bayman (Managing Director), Drew Orman (Vice President), Hunter Sessions (Senior Analyst), and Josh Blue (Analyst). In the month of January, H2C dedicated approximately 51 hours to the Mercy Iowa City project in several capacities.

In support of the Valuation Scorecard, H2C updated detailed valuations for the joint ventures as we prepare to unwind each of those agreements. This required 15 hours of work. Richard Bayman and Drew Orman spent approximately 10 hours organizing and hosting calls between the joint venture partners and speaking with potential buyers of the MIC minority interest.

Drew Orman, Hunter Sessions, and Josh Blue dedicated a minimum of 10 hours to the management of the Firmex Data Room. This is the platform on which all documentation related to Mercy Iowa City is stored for interested parties to access and conduct diligence. Related activities include engaging in correspondence with Mercy Iowa City management to gather up-to-date Debtor information upon the request of relevant parties, assisting relevant parties in the navigation of the Data Room, and managing entitlements from the appropriate parties.

H2C conducted 1-hour weekly calls with FTI, the representative for the unsecured creditors committee, which accounted for 12 hours in the month of January. On these calls, H2C updated FTI on the status of relevant interested parties, changes or additions to the data room, and any new information pertaining to the bidding process. In addition, H2C spent a total of 4 hours in weekly communication with the Mercy Iowa City operations team and council. These calls covered, but were not limited to, Debtor data collection, updates on the sale process, valuation of the joint venture relationships and owned property, and bidding procedures.

Exhibit B – Expense Breakdown

None



Fifth Third
Capital Markets

h2c.com
T 212.257.4500

SUBJECT Billing Invoice
INVOICE NO. Project Redwood – 6005
DATE February 10, 2024

TO Tom Clancy
Chief Executive Officer
Mercy Hospital Iowa City
500 East Market St
Iowa City, IA 52245

ITEM	DESCRIPTION	AMOUNT
<i>Related to the Third Amendment dated December 18, 2023 to the Engagement Agreement Dated June 17, 2021, First Amendment dated November 15, 2022 and the Second Amendment dated July 28, 2023:</i>		
A.	Time Based Retainer / Work Fee (January)	\$25,000.00
B.	Expenses	0.00
i.	H2C T&E – \$0.00	
ii.	H2C Legal – \$0.00	
<i>Thank you for this opportunity to be of service.</i>		
TOTAL		\$25,000.00

Please use the following wiring instructions:

Fifth Third Securities
ABA #042000314
FBO: H2C Securities Inc.
Acct #7029051708
Reference:
Project Redwood

OR

Please use the following mailing instructions:

Fifth Third Bank
ATTN: Katie Colgan
38 Fountain Square Plaza
Mail Drop: 1090GB
Cincinnati, OH 45263

If you have any questions, comments or concerns regarding this invoice, please do not hesitate to contact us at accounting@h2c.com.

You are a highly valued client of our firm and we appreciate the opportunity to be of service.

H2C Securities Inc. | h2c.com

+ The Elements of Capital and Strategy

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